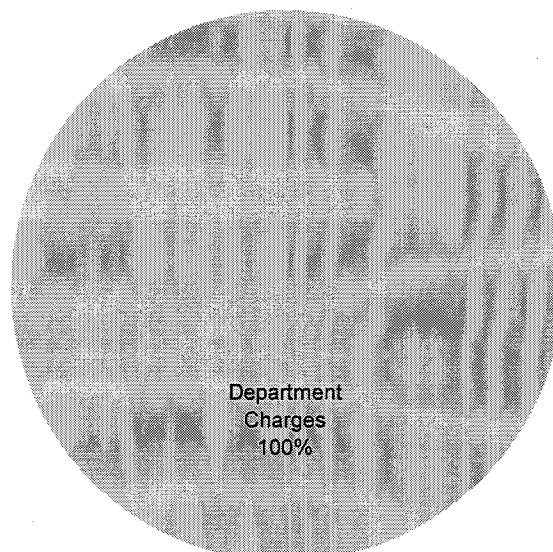


MISSION STATEMENT

To provide high quality insurance, safety and employee benefit services at the lowest possible cost to the taxpayer.

SCHEDULE 10

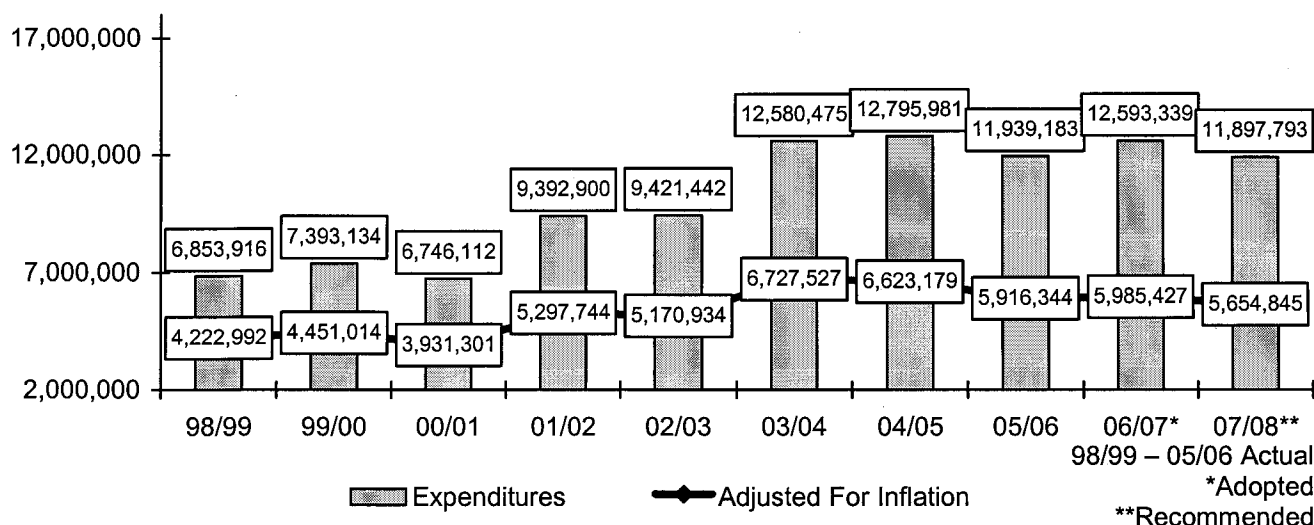
OPERATING DETAIL	ACTUAL 2005-06	ESTIMATED 2006-07	PROPOSED ESTIMATES 2007-08	RECOMMENDED ESTIMATES 2007-08
(1)	(2)	(3)	(4)	(5)
REVENUES:				
OPERATING REVENUES				
Charges to Department	14,857,356	15,219,000	10,773,000	10,773,000
TOTAL OPERATING REVENUES	14,857,356	15,219,000	10,773,000	10,773,000
NONOPERATING REVENUES				
Interest	597,363	879,000	680,500	680,500
Other Income	1,773,645	1,432,000	242,495	242,495
TOTAL NONOPERATING REVENUES	2,371,008	2,311,000	922,995	922,995
TOTAL REVENUES	17,228,364	17,530,000	11,695,995	11,695,995
EXPENSES:				
OPERATING EXPENSES				
Services and Supplies	2,053,888	1,754,414	1,713,982	1,713,982
Overhead	693,480	233,912	164,571	164,571
Insurance	2,467,043	3,095,512	3,205,000	3,205,000
Claims	5,528,800	5,754,000	5,864,240	5,864,240
Outside Legal	1,195,972	950,000	950,000	950,000
TOTAL OPERATING EXPENSES	11,939,183	11,787,838	11,897,793	11,897,793
TOTAL EXPENSES	11,939,183	11,787,838	11,897,793	11,897,793
NET INCOME (LOSS)	5,289,181	5,742,162	(201,798)	(201,798)
FIXED ASSET EXPENDITURES				
Equipment	0	0	0	0
TOTAL FIXED ASSET EXPENDITURES	0	0	0	0

Source of Funds

Self Insurance

Fund Centers 408 – 412

10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Workers' Compensation

Provides funding for all costs associated with the County's self-insured Workers' Compensation Program, including benefit payments to eligible recipients and all administrative expenses.

Total Expenditures: \$6,039,073 Total Staffing (FTE): 0.0

Liability Self-Insurance

Provides funding for all costs associated with the County's self-insured Liability Program, including loss payments to resolve claims/litigation and all administrative expenses.

Total Expenditures: \$3,562,563 Total Staffing (FTE): 0.0

Medical Malpractice

Provides funding for all costs associated with the County's Medical Malpractice Program, including insurance premiums, deductibles, and administrative expenses.

Total Expenditures: \$284,472 Total Staffing (FTE): 0.0

Unemployment Insurance

Provides funding for all costs associated with the County's self-insured Unemployment Program, including benefit payments to eligible recipients and administrative expenses.

Total Expenditures: \$254,642 Total Staffing (FTE): 0.0

Dental Plan

Provides funding for all costs associated with the County's self insured dental plan, including benefit payments and administrative expenses.

Total Expenditures: \$1,757,043 Total Staffing (FTE): 0.0

DEPARTMENT COMMENTS

The Self Insurance Fund Center consists of the following programs: Workers' Compensation, Liability, Unemployment Insurance, Medical Malpractice, and Self Insured Dental. Staffing information and the department narrative can be found in Fund Center 105 – Risk Management.

COUNTY ADMINSTRATOR'S COMMENTS AND RECOMMENDATIONS**Workers' Compensation**

The Workers' Compensation Program remains in sound financial shape. Total liabilities, the key performance indicator for the program, continue to decline. So much so, staff was able to reduce department charges for 2007-08 by \$3.75 million and still maintain an 80% confidence rating.

Expenses for 2007-08 are essentially flat when compared to current year estimated expenses. The only issue of note is the excess insurance premium. It continues to remain high (\$1.38 million) due to the sluggish insurance market. Revenue will decline sharply due to lower department charges.

Liability

Expenses for the 2007-08 Liability Program are essentially flat. Like with the Workers' Compensation Program, the only issue of note is the excess insurance premium. It remains high (\$1.577 million) due to the sluggish insurance market. Revenue for this budget will decline in the coming year due to lower liability charges to departments (\$600,000). This is good news and shows the efforts to stabilize the fund are paying off. If current trends continue, staff should be able to maintain a 75% confidence level in the fund and still lower rates by another \$400,000 to \$600,000 in 2008-09.

Unemployment Insurance

The Unemployment Insurance (UI) Program expenses for 2007-08 are status quo. Revenue levels will decline due to lower charges to departments. Over the past few budget cycles, UI rates were set to rebuild reserves. With this process complete, 2007-08 UI rates were reduced from .0022 of payroll to .0015 of payroll.

Medical Malpractice

The Medical Malpractice Program is stable. Expenses for 2007-08 will decline slightly due to a lower medical malpractice premium. Revenue is status quo and sufficient to cover all 2007-08 expenses while maintaining a responsible reserve level of approximately \$125,000.

Dental Plan

The Dental Plan suffered a serious financial setback during 2005-06 due to unprecedented use by employees. In order to stabilize the program, the A/C provided a short term loan of \$60,000 and employee rates were increased by 27% effective January 1, 2007. This influx of cash, coupled with declining usage during the first two quarters of 2006-07, allowed the fund to stabilize. At that time, staff predicted the loan would be repaid by the end of the current fiscal year and employee rates would likely remain flat for 2008. However, plan usage spiked again in the third quarter of this year causing reserves to fall precipitously and pushing out the loan repayment date to the end of 2007. If usage continues at this rate, it will be necessary to raise employee rates again in 2008. Risk Management staff is currently working with the County's insurance broker to evaluate options for reducing dental claim costs.

GOALS AND PERFORMANCE MEASURES

Department Goals and Performance Measures are reflected in Fund Center 105 – Risk Management.